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THE
METROPOLITAN WEST SIDE ELEVATED
RAILWAY COMPANY.

REPORT

OF THE
BOARD OF DIRECTORS
TO THE
STOCKHOLDERS

FOR THE FISCAL YEAR ENDING
DECEMBER 31, 1910.

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THE
METROPOLITAN WEST SIDE ELEVATED
RAILWAY COMPANY.

REPORT OF THE BOARD OF DIRECTORS
TO THE STOCKHOLDERS

AT THE

ANNUAL MEETING, FEBRUARY 6, 1911.



Board of Directors:

FREDERIC A. DELANO, Chairman

CHARLES C. ADSIT

JAMES B. FORGAN

NATHAN ALLEN

HOWARD G. HETZLER

BRITTON I. BUDD

GEORGE H. HIGH

R. FLOYD CLINCH

JOSEPH E. OTIS

HEYLIGER A. de WINDT

CHARLES H. REQUA

Executive and Finance Committee:

FREDERIC A. DELANO

R. FLOYD CLINCH

HOWARD G. HETZLER

HEYLIGER A. de WINDT

BRITTON I. BUDD

Officers:

BRITTON I. BUDD,	President and General Manager
HOWARD G. HETZLER,	Vice-President
BERNARD J. FALLON,	Assistant General Manager
PAUL D. SEXTON,	Secretary and Treasurer
W. F. HOLTZ,	Asst. Sec. and Asst. Treas.
T. B. MacRAE,	Auditor

W. W. CURLEY,	General Counsel
A. L. GARDNER,	General Attorney

THE METROPOLITAN WEST SIDE ELEVATED RAILWAY COMPANY

REPORT OF THE BOARD OF DIRECTORS TO THE STOCKHOLDERS

**FOR THE FISCAL YEAR ENDING DECEMBER 31, 1910,
AT THE ANNUAL MEETING, FEBRUARY 6, 1911.**

The gross earnings of your Company for twelve months ending December 31, 1910, are \$3,069,945.07, an increase of \$251,514.40 over the preceding year. The net earnings are \$1,513,929.67, an increase of \$113,575.42, and surplus applicable to dividends is \$442,731.33, an increase of \$93,813.54 over the previous year.

The increase in operating expenses was principally due to the normal increase in cost of carrying a greater number of passengers than the preceding year, to an increase in wage scale as per new agreement made with employes, to increased price paid for power-house fuel from April 1st to September 1st, during which time all mines in Illinois were shut down on account of the Coal Miners' strike. The total increase in operating expenses amounted to \$137,938.98.

The proportion of operating expenses to gross earnings increased approximately one-third of one per cent.

PASSENGER TRAFFIC STATEMENT.

1910	Total Passengers	Daily Average	Percent Increase	Percent Decrease
January	4,935,953	159,225	17.29	....
February	4,589,256	163,902	16.31	....
March	5,103,203	164,619	15.68	....
April	4,778,520	159,284	12.	....
May	4,911,200	158,426	9.88	....
June	4,719,520	157,318	6.29	....
July	4,640,955	149,708	10.50	....
August	4,757,438	153,465	11.39	....
September	4,564,056	152,136	5.49	....
October	4,865,178	156,941	5.67	....
November	4,544,203	151,474	1.71	....
December	4,820,404	155,497	....	1.78
Total	57,229,886	156,794	8.97	1.78

TRAFFIC SUMMARY.

	Total Passengers	Daily Average
1907	54,280,888	148,715
1908	51,587,667	140,950
1909	52,519,609	143,889
1910	57,229,886	156,794

It will be noted that the months of November and December show a very considerable falling off in traffic, which is accounted for principally by the widespread strike of men and women employed in the clothing industry. The largest plants of the clothing manufacturers are located adjacent to the lines of your Company. Notwithstanding this condition, traffic exceeded that of any previous year.

The most gratifying feature of the increase in traffic is the continued development of travel in the reverse direction to the normal current during the rush hours, occasioned by the building up of many industrial plants on the western outskirts of the City adjacent to the lines of your Company. On account of this distribution of the traffic, the greatly increased

number of passengers were accommodated without an increase in the number of cars or additional capacity in power plant.

Mileage operated during the year has been increased from 50.5 to 51.5, exclusive of sidetracks.

Eighteen passenger coaches were converted to control cars; otherwise no changes or additions have been made to the equipment, there being 225 motor cars, 161 coaches, 101 control coaches and 17 miscellaneous cars.

CONSTRUCTION.

Total mileage increased one mile of main line single, and one-half mile of sidetrack, due to the construction of three tracks on the Douglas Park Line from 48th Avenue to 52nd Avenue.

This greatly improved conditions at the end of the line, furnishing storage room for sixty cars, and providing through service to the industries and residents in this locality. This extension was completed August 20th.

New stations were built at 43rd Avenue, 51st Avenue and 52nd Avenue on the Douglas Park Line.

Under the terms of the Track Elevation Ordinance of the City of Chicago the Belt Railway was obliged to elevate its tracks, which made it necessary for your Company to raise the tracks and structure approximately 13 feet, where the Metropolitan tracks cross those of the Belt Railway on the Garfield Park Branch. This work was carried out during the summer and fall and is now completed, there being no accident or interruption of traffic during the progress of the work.

A new coal and material yard was constructed at 46th Avenue on the Douglas Park Line, with connections to the Belt Railway. This allows the storage of 10,000 tons of power-house coal, and provides for the economical handling of same, and for the storage of track timber, rail, etc.

MAINTENANCE OF WAY AND STRUCTURE.

During the year, 13,471 ties were renewed, equivalent to 4½ miles of single track, complete, with wooden guard rails.

Two hundred and forty tons of new 60-foot, 80-pound steel rail were laid in tangent track, equivalent to 2 miles of single track.

All special work at crossings and cross-overs, interlocking and signals were maintained in good condition.

Nineteen thousand and forty-nine feet of steel structure, equivalent to 12,022 tons were repainted during the year.

The wooden structure at Logan Square Yard has been partially rebuilt in a substantial manner, with concrete foundations, and the reconstruction will be continued until completed.

MAINTENANCE OF CAR EQUIPMENT.

Three hundred and seventy-four axles of the best heat treated steel were installed under passenger coaches, replacing small axles.

Three hundred rolled steel wheels were placed in service.

Eighteen passenger coaches have been equipped with cabs and control apparatus on both ends.

A large part of the car equipment has been equipped with ventilating devices, in accordance with the City ordinance.

Cars, trucks and electrical equipment on same have been maintained in good condition.

MAINTENANCE OF POWER PLANT AND SUB-STATIONS.

New positive plates were installed in 256 cells of storage battery at Robey Street Sub-station.

Two 500,000 C. M. aerial cables were installed, connecting the 46th Avenue Sub-station, on the Garfield Park Line, with the Douglas Park Line, thereby greatly improving the power conditions on the Douglas Park Line and benefiting the service generally.

Boilers, engines, generators and all other power-house equipment have been maintained in first-class condition.

DIVIDEND AND COLLATERAL LOAN.

Dividends to the amount of 3% on the preferred stock were paid during the fiscal year, payments being made quarterly.

One hundred thousand dollars were paid on the collateral loan during the year, reducing same from \$300,000 to \$200,000.

Contained in this report will be found the usual exhibits of Operating Expenses, Income and Balance Sheets.

Respectfully submitted.

By order of the Board of Directors,

BRITTON I. BUDD,
President.

**COMPARATIVE STATEMENT OF
OPERATING EARNINGS AND EXPENSES.**

Fiscal Years Ending December 31, 1910, 1909 and 1908.

OPERATING EARNINGS.	1910	1909	1908
Passenger Earnings.....	\$2,936,998.96	\$2,695,230.61	\$2,643,634.90
Other Operating Earnings.....	132,946.11	123,200.06	103,205.45
Gross Earnings.....	<u>\$3,069,945.07</u>	<u>\$2,818,430.67</u>	<u>\$2,746,840.35</u>
 OPERATING EXPENSES.			
Maintenance of Way and Structures	\$ 141,830.89	\$ 134,350.50	\$ 155,625.01
Maintenance of Car Equipment....	173,927.48	165,172.05	134,159.10
Maintenance and Operation of Power Plant.....	376,483.47	312,706.46	329,636.91
Conducting Transportation.....	660,312.84	605,094.86	585,514.14
General Expenses.....	96,322.91	103,347.59	101,300.72
Loop Operation and Maintenance..	<u>107,137.81</u>	<u>97,404.96</u>	<u>104,565.13</u>
Total	<u>\$1,556,015.40</u>	<u>\$1,418,076.42</u>	<u>\$1,410,801.01</u>
Net Earnings.....	<u>\$1,513,929.67</u>	<u>\$1,400,354.25</u>	<u>\$1,336,039.34</u>
Proportion of Operating Expenses to Gross Earnings.....	50.69	50.31	51.36

**COMPARATIVE STATEMENT OF
INCOME ACCOUNT.****Fiscal Years Ending December 31, 1910, 1909 and 1908.**

	1910	1909	1908
Income from Operation.....	\$1,513,929.67	\$1,400,354.25	\$1,336,039.34
Other Income.....	8,770.24	11,159.97	10,126.04
Gross Income	<u>\$1,522,699.91</u>	<u>\$1,411,514.22</u>	<u>\$1,346,165.38</u>
Interest First Mortgage Bonds....	\$ 399,960.00	\$ 399,960.00	\$ 399,960.00
Interest Extn. Mortgage Bonds....	161,320.00	161,216.22	151,304.24
Interest Collateral Loan.....	15,250.64	20,251.46	27,959.72
Interest Equipment Notes.....	.....	.....	8,642.54
Other Interest .....	.....	601.25	4,152.43
Miscellaneous Rentals.....	37,048.00	37,048.00	37,048.00
Loop Rentals	286,138.06	262,626.20	257,947.18
Taxes, Car Licenses and Special Assessments.....	180,251.88	180,893.30	197,735.94
Total Charges.....	<u>\$1,079,968.58</u>	<u>\$1,062,596.43</u>	<u>\$1,084,750.05</u>
Surplus Available for Dividends...	\$ 442,731.33	\$ 348,917.79	\$ 261,415.33
Dividends Declared.....	261,237.00	.....	.....
Balance Carried to Surplus..	<u>\$ 181,494.33</u>	<u>\$ 348,917.79</u>	<u>\$ 261,415.33</u>
Per cent of Surplus to Outstanding			
Preferred Stock.....	5.00	4.07	3.00
Balance for Common.....	0.10	....	....

STATEMENT OF SURPLUS.**Fiscal Year Ending December 31, 1910.**

Balance as of January 1, 1910.....	\$1,580,624.13
Balance of Surplus for Year Ending December 31, 1910, as per Income Account.....	181,494.33
Total	<u>\$1,762,118.46</u>
Charged off for Depreciation and Losses.....	\$ 50,000.00
Surplus as of December 31, 1910	1,712,118.46
Total.....	<u>\$1,762,118.46</u>

COMPARATIVE BALANCE SHEET.**December 31, 1910, 1909 and 1908.**

ASSETS.	1910	1909	1908
Cost of Road Equipment and Property.....	\$32,383,983.37	\$32,331,208.36	\$32,265,152.75
Capital Stock in Treasury, Preferred.....	292,100.00	292,100.00	292,100.00
Capital Stock in Treasury, Common.....	35,900.00	35,900.00	35,900.00
Extension Mortgage Bonds in Treasury.....	967,000.00	967,000.00	983,000.00
Union Consolidated Elevated R. R. Bonds Owned.....	41,400.00	41,400.00	.....
Cash on Hand and in Banks....	137,456.13	249,283.39	156,189.87
Material and Supplies.....	109,807.15	75,220.02	52,321.02
Accounts Receivable.....	128,680.41	96,921.77	62,019.79
Prepaid Insurance.....	29,834.61	11,825.62	21,389.90
Advances, Union Consolidated Elevated Railroad.....	27,460.09	27,385.09	53,720.09
Unadjusted Accounts.....	20,106.79	20,075.64	15,232.43
	<u>\$34,173,728.55</u>	<u>\$34,148,319.89</u>	<u>\$33,937,025.85</u>

LIABILITIES.

Capital Stock, Preferred.....	\$ 9,000,000.00	\$ 9,000,000.00	\$ 9,000,000.00
Capital Stock, Common.....	7,500,000.00	7,500,000.00	7,500,000.00
First Mortgage Bonds (4%)....	10,000,000.00	10,000,000.00	10,000,000.00
Extension Mortgage Bonds (4%)	5,000,000.00	5,000,000.00	5,000,000.00
Collateral Loan.....	200,000.00	300,000.00	400,000.00
Unpaid Vouchers, Pay Rolls and Accounts.....	123,909.88	134,989.80	110,617.88
Interest Coupons Due, not pre- sented.....	4,960.00	6,880.00	6,620.00
Interest on Extension Mortgage Bonds due January 1st.....	80,660.00	80,660.00	80,320.00
Dividend Checks Out.....	1,562.25	.....	240.75
Interest Accrued, not due	169,150.00	170,478.12	171,650.00
Rentals Accrued, not due.....	8,749.75	8,749.75	8,749.75
Taxes Accrued, not due.....	101,872.88	101,872.88	101,872.88
Depreciation Reserve	270,745.33	264,065.21	275,248.25
Balance, Surplus.....	1,712,118.46	1,580,624.13	1,281,706.34
	<u>\$34,173,728.55</u>	<u>\$34,148,319.89</u>	<u>\$33,937,025.85</u>

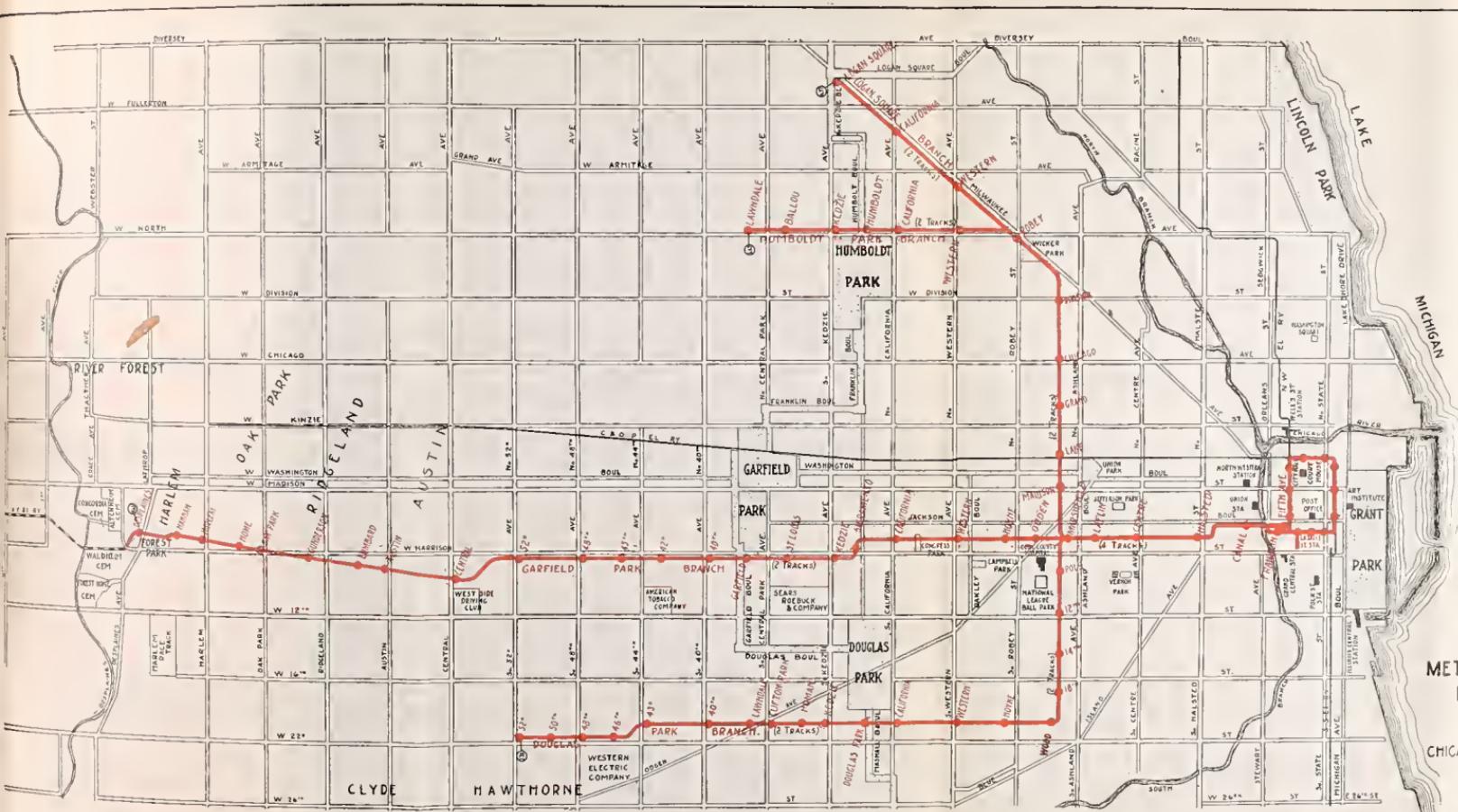
1315 Monadnock Block,
CHICAGO, 31 January, 1911.

We have audited the books and accounts of the Metropolitan West Side Elevated Railway Company for the fiscal year ending 31 December, 1910, and certify that the foregoing statements of Earnings and Expenses and Income for the year, Surplus Account and Balance Sheet as at 31 December, 1910, are correct in accordance with the books.

Additions to Cost of Road, Equipment, etc., made during the year are, in our opinion, all proper Capital Charges.

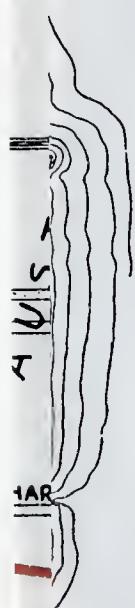
Our detailed report to the Directors forms part of this certificate.

ARTHUR YOUNG & COMPANY,
Certified Public Accountants.



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**METROPOLITAN WEST SIDE
ELEVATED RAILWAY
SYSTEM**

CHICAGO ILL.

JAN-17-1911

